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TRANSLATIONS ON EASTERN EUROPE
ECONOMIC AND INDUSTRIAL AFFAIRS
(FOUO 1/79)

EAST

EUROPE

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CZECHOSLOVAKIA

FUEL, ENERGY MANAGEMENT OUTLOOK DISCUSSED

Bratislava TECHNICKA PRACE in Czech Aug 78 pp 6-10

[Article by Engr Jan Neumann, CSSR deputy minister of technical and capital development]

[Text] Prospective Development of Primary Energy Consumption

The continued dynamic development of the Czechoslovak economy and the steady rise of the material and cultural needs of the socialist society is predicated on a continued increase of primary energy consumption. In 1970, CSSR consumption reached the level of 81.2 tmp (tons of specific fuel) amounting to a specific annual consumption of 5.7 tmp per inhabitant. Currently the specific annual consumption of primary energy has already reached the level of 6.5 tmp per inhabitant and is expected to exceed 7 tmp per inhabitant a year in 1980 or an overall consumption of approximately 110 million tmp a year.

The preparation of the long-term forecasts for the future development of the economy is based on the assumption that, in difference to the growth rate of the national product and industrial production, the consumption growth rate of primary energy will decrease for two fundamental reasons:

- a) The socialist integration of CEMA countries will result in a division of work and a concentration of energy-intensive manufactures in large capacity units erected in close vicinity of sources of energy.
- b) Scientific and technical progress will lead to the introduction of new production technologies and products which will use energy more efficiently and decrease energy consumption per production unit.

Meeting these objectives, which, of course, will be predicated on structural changes primarily in industry, transportation and the construction industry, will make it possible to maintain the dynamic growth of the national product while at the same time the annual rate of increase in the consumption of primary energy will decrease from the current 3.5 percent to 2.3 percent in the last decade of the 20th century (see diagram, curve c.) Accordingly, the overall consumption of primary energy in 1990 (see diagram, curve a)

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would reach the level of 143 million tnp per year and 180 million tnp per year in 2000. In the year 2000 normal consumption would be about 11 tnp per inhabitant per year which is approximately the level of current specific consumption in the United States. Satisfying this consumption will be one of the most exacting tasks of the continued development of the Czechoslovak economy; its comprehensive implementation can be achieved only by international cooperation and on the basis of division of work among all CEMA countries. At the same time each country has to develop its own energy resources to the fullest possible extent.

The development of the mining, processing and transportation of brown and bituminous coal and the construction of hydroelectric power plants will have to be achieved primarily by our own efforts. The production, transportation and refining of crude oil and natural gas can be accomplished only in cooperation with the Soviet Union which is and will remain Czechoslovakia's indispensable partner in securing the import of these raw materials. Nuclear power will be developed by the broad cooperation of all CEMA countries in which the Soviet Union will again be playing the leading role. The changing proportions of sources of primary energy in percentages are tabulated (in actual figures until 1970, in projections from 1980 onward.)

1) Zdroj energie (%)	1960	1970	1980	1990	2000
2) Pevná paliva	87,7	75,2	63,7	45,3	35,0
Kapalná					
paliva	7,1	17,6	23,1	28,0	22,9
3) Plynná paliva	2,9	3,3	6,9	11,9	12,3
4) Jaderná					
5) energie	—	—	1,2	12,1	26,6
Vodní					
6) energie+saldo dovozu	2,3	3,0	3,2	2,5	2,3

Key: 1. Energy source (percent)
2. Solid fuels
3. Liquid fuels
4. Gaseous fuels
5. Nuclear power
6. Hydroelectric power + total imports

Development of Brown Coal Mining

Brown coal (including lignite) currently plays a key role as the CSSR primary energy resource. In 1977, mining of brown coal reached the level of 90 million tons which represents roughly 40 percent of all energy resources; in 1980, close to 100 million tons will be mined and in 1990 the level of mining should reach 110 million tons. In view of the size of its deposits, no further increase in brown coal mining can be expected. After the year 2000, mining of brown coal will gradually decrease with the gradual depletion of deposits.

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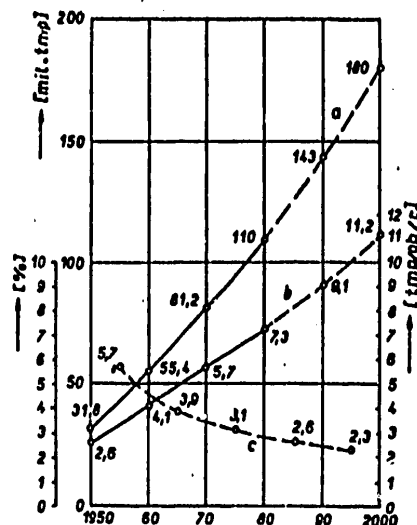
Most coal is being mined in the North Bohemia brown coal basin and its proportion will increase further. For this reason, vast investments are being channeled into this basin for the construction of giant surface mines and related construction projects, especially in transportation, water economy and comprehensive housing. The technological units TC-1 with 2,500 cubic meters per hour and TC-2 with 5,000 cubic meters per hour of earth digging capacity, equipped with wheel excavators from the Unicov Engineering Works, overburden dumping machines from the Vitkovice Iron Works and belt conveyors from Transporta Chrudim were developed and are being delivered for the removal of overburden and the mining of coal. The bucket-wheel excavator RK 5000 with a capacity of 5,000 cubic meters per hour, designed for stripping overburden of high excavation resistance and the technological unit TC-3 with a 10,000 cubic meter per hour capacity equipped with the wheel excavator K 10,000 and an overburden dumping machine are under development. All these machines are being developed by the Vitkovice Iron and Engineering Works. The first technological unit TC-3 is expected to go into experimental operation in 1979 equipped with an imported belt conveyor of 2,200 mm width. The production of the excavator RK 5000 was started this year and the first excavator of this type is expected to go into operation in 1981. The attainment of the planned volume of mining is predicated on the timely delivery and reliable operation of these units.

In view of the fact that the mining of brown coal in the North Bohemia coal basin will gradually reach greater depths and will involve the stripping of increasing quantities of overburden, the output of the technological units will also have to be increased and an even larger unit, the TC-4 with a capacity of 20,000 cubic meters per hour, will have to be developed. Scientific and technical cooperation with enterprises in the GDR, the Polish People's Republic and the FRG seems indicated in the production of these units. The First May Rubber Works at Puchov will have to introduce the production of steel-wire-reinforced rubber belting up to a width of 3,000 mm.

The need to resolve exacting complex tasks in the development of technology, the great capital investments needed for coal mining and related projects and the increasing power requirements in the mining of brown coal (from 12 kWh per ton in 1970 to 18 kWh per ton in 1990) will at the same time raise production expenditures. Therefore, in the future brown coal will no longer represent an easily available and cheap source of energy and will have to be used with greatest economy. Even in the year 2000, brown coal will still constitute an important component of the Czechoslovak energy base. But it will be necessary to mitigate the deleterious environmental effect of emissions (especially of fly ash and sulfur dioxide) from its combustion. This will be accomplished by concentrating the combustion of brown coal in large-scale power plants and thermal stations equipped with high-efficiency collectors of fly ash and at least partial scrubbing of sulfur dioxide.

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a - spotřeba prvotních zdrojů v CSSR (mil. tmp/r.), b - spotřeba prvotních zdrojů energie na obyvatele a rok (tmp/obr.), c - průměrný roční přírůstek spotřeby prvotních zdrojů energie (%)

- a) CSSR consumption of primary energy resources (in million tmp per year),
- b) Consumption of primary energy resources per inhabitant and year (tmp per inhabitant and year),
- c) Average annual increase in the consumption of primary energy (in percent).

Development of the Mining of Bituminous Coal

In 1977, the mining of bituminous coal in the CSSR reached the level of 28 million tons and its proportion in the overall consumption of primary energy is approximately 25 percent. We are mining bituminous coal from increasingly greater depths and under increasingly more difficult geological conditions. The mining of bituminous coal will require increasing expenditures of power and especially of capital investments which means that its cost will increase. Bituminous coal is primarily used for the production of coke for industry and for export. While mining output in 1980 and in the long run will remain at the approximately same level as now, considerable capital means will have to be invested into bituminous coal mining especially in the Ostrava-Karvina coal basin which supplies more than 85 percent of all the Czechoslovak bituminous coal mined. In the first place, the mines will have to get new equipment especially for mining narrow and saddle seams of coal. The primary supplier of combines and plows for narrow seams and advancing supports will be the national enterprise Ostroj at Opava which will have to be considerably

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enlarged. Combines for the mining of thick seams will be imported from the Polish People's Republic and the USSR, advancing supports will again have to be supplied by the national enterprise Ostroj. The necessary hydraulic equipment including pumps will have to be supplied by the national enterprise Sigma Hranice in greater volume.

New mines for the mining of coal from depths between 1,000 and 1,500 meters will be established south of Ostrava. To master the technology of deep drilling, cross tunneling and coal mining proper will require much development work, the purchase of licenses and documentation for the production of machinery. The national enterprise CKD Slany will have to master the production of new fully automated heavy machines equipped with thyristor controls, machines for driving vertical and horizontal galleries will be supplied by the national enterprises Banske stavby Prievidza and Ostroj Opava. The Federal Ministry of Fuel and Power will establish two new enterprises for the production of coal-mining machinery at Pribram and at Senov near Havirov and the Ostroj enterprise in Frydlant will be enlarged. The exacting production of pneumatic equipment for these deep mines will have to come from the national enterprise ZVVA Milevsko. The same technology will also be used in establishing the new mines for bituminous coal in the Slany district because here also coal seams are located at a depth exceeding 1,000 meters.

Currently, bituminous coal imports from the Soviet Union and Poland cover about 5 percent of the overall CSSR primary energy consumption. But this coal constitutes an important source of supply for industry and power plants, especially in East Slovakia and North Moravia krajs. Imports of coal will continue also in the future, but they cannot be expected to increase because coal will be in short supply in prospective balances of European CEMA countries including the European part of the USSR.

Development of Crude-Oil Production and Import

Crude-oil production in the CSSR is negligible and is concentrated in South Moravia and East Slovakia. Geological exploration indicates that crude oil may be present at great depths in the area of the Carpathians, but the presumed deposits can have no major effect on the Czechoslovak energy balance.

Imports from the Soviet Union, carried by the Druzba pipeline, constitute the key source of crude oil for Czechoslovak consumption and that of other European CEMA countries. Crude oil and crude-oil products imported from the Soviet Union represent approximately a quarter of the overall consumption of CSSR primary energy. Considering the crude-oil-production situation of the Soviet Union, no further substantial increase of imports to the CSSR can be expected. Certain crude-oil imports to the CSSR will be transported by the Adria pipeline currently under construction which will connect the oil port on the Adriatic coast with refineries in Yugoslavia, the Hungarian People's Republic and the CSSR. This pipeline will carry oil purchased from

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the Middle East. Therefore, the possibility of importing this crude to the CSSR is limited by the availability of hard currency and the expected further rise in price which since 1972 has risen almost tenfold and has currently reached the level of \$100 per ton.

In view of these facts, great economy must govern the consumption of crude oil and it should be refined primarily to gasoline and lubricants for use by the expanding motorized transport, to asphalts and paraffins and to raw materials for the production of ammonia, methanol, plastics, synthetic fibers, rubber and other organic chemicals. Heating-oil supplies will be limited and will be made available only for technological purposes and communal housing which for economic reasons cannot burn coal.

Development of Natural Gas Production and Imports

The current CSSR production of natural gas is about 1 billion cubic meters per year or approximately 1 percent of the overall consumption of primary energy. The production of natural gas is concentrated in the same areas as the production of crude oil. The outlook for expanding the CSSR production of natural gas is likewise unpromising and should by 1990 reach the volume of 2 billion cubic meters per year. Therefore, considering CSSR gas consumption, here also imports from the Soviet Union are crucial and amount currently to about 4 percent of overall CSSR consumption of primary energy. Natural gas is being imported to the CSSR by the Bratrstvi pipeline built for European CEMA countries, further by the transit pipeline traversing the territory of Czechoslovakia to some West European countries.

The new Orenburg pipeline is currently under construction by joint efforts of all CEMA countries and the construction of a pipeline which will supply natural gas from Iran across the Soviet Union and Czechoslovakia to Europe is in preparation. Therefore, it can be assumed that the import of natural gas to the CSSR will continue to increase and natural gas can be expected to supply in excess of 10 percent of the Czechoslovak consumption of primary energy resources.

But economy will also have to be exercised in the consumption of natural gas. Natural gas is also an important chemical raw material for the production of ammonia, methylalcohol, and constitutes the raw material for acetylene-based chemistry. It will be used as fuel in technological processes where it is indispensable because of its great purity and in communal housing, especially in large cities.

Hydroelectric Power Development

The energy generated by hydroelectric power plants built on the rivers Vltava, Labe, Orava and Vah with an overall output of about 2000 MW represents less than 2 percent of the overall Czechoslovak consumption of primary energy. The hydroelectric potential of Czechoslovak rivers is being exploited by about 30 percent. Therefore, further hydroelectric power plants

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can be built, primarily on the Danube, jointly with Hungary and later also with Austria, and gradually also the Vitava and Vah cascades will be completed. But even so the proportion of hydroelectric power in the overall consumption of CSSR primary energy resources will be low (1.5 to 2 percent). However, this power is still very important because it helps meet peak power demand in the Czechoslovak electrification system.

Crucial for the Czechoslovak power industry, however, is the construction of pumped storage power plants which, while not included in the balance of primary energy resources because they use more power during night-time pumping than they produce, supply during peak load periods the lion's share of the needed increase in output by the generating system. Their role will become increasingly more important in the future since no peak-power facilities with combustion turbines are expected to be built because of a shortage of gaseous and liquid fuels.

Czechoslovakia has on its entire territory very favorable conditions for the establishment of pumped-storage power plants; several localities were selected in the CSR and the SSR suitable for the construction of facilities with considerable peak-power output (up to 30,000 MW). The national enterprise CKD Blansko is producing reversible aggregates for pumped-storage power plants with an output of up to 150 MW and is developing further units with higher output. Currently the Dalesice pumped-storage power plant is coming into operation and the Cierny Vah power plant is under construction. The construction of the Dlouha Stran power plant in North Moravia is in preparation and by the year 2000 the Labe and Krivoklat power plants should be completed, each with an output of from 600 to 1,000 KW.

Nuclear Power Development

In spite of the vast capital investment and the hard currencies which will be spent on them, the classical sources of energy will fall short of the CSSR consumption of primary energy beginning as early as 1980. In 1990, the shortfall will amount to 17 million tnp and in the year 2000 to almost a full 50 million tnp (i.e., approximately 27 percent of overall consumption.)

The only realistic way of filling the energy gap is to develop nuclear power. The other so-called new energy sources (geothermal, wind and solar) cannot contribute significantly to the Czechoslovak energy balance before the year 2000 considering the current level of their technical development. The development of nuclear power constitutes one of the principal objectives in developing the energy balance of all CEMA countries by a long-term target-oriented cooperative program.

At the present time, nuclear power plants are being built on an industrial scale based on the fission of heavy nuclei (of uranium and plutonium). Involved in this development is a vast scientific, technical and industrial complex including:

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- geological exploration, the mining and processing of uranium ores;
- the production of pure, fissionable uranium and its enrichment by the ^{235}U isotope;
- the production of nuclear fuels;
- the research, development and production of nuclear reactors on the basis of thermal and fast electrons and of other nuclear power plant components (including the construction of production capacities and the metallurgical base).
- reprocessing of spent nuclear fuel from thermal and fast-electron reactors designed to recover uranium and plutonium and the separation and safe disposal of radioactive waste;
- the training of qualified cadres for research, development, design work, construction and operation of all components of the nuclear power complex.

This vast nuclear power complex can be mastered only by joining forces with all other CEMA countries under the leadership of the Soviet Union, which has the greatest scientific, technical and industrial potential in this field. Czechoslovakia participates in the areas where it has the necessary raw material, technical and cadre prerequisites which includes primarily the mining and processing of uranium ores and the production of selected installations for the construction of nuclear power plants.

By 1990, a number of nuclear power plants with an approximate capacity of 10,000 MW will have to be built in the CSSR. These will be power plants with cooled thermal light-water reactors with a capacity of 440 MW_e (VVER-440) per unit and later of 1,000 MW_e (VVER-1,000). Currently intensive work is proceeding on the possibility of using light-water reactors also in the production of low-energy heat (in the form of steam or hot water) for industrial use and use in communal housing.

After 1990, the building of liquid-sodium-cooled fast-electron nuclear power plants will have to be mastered. Their advantage lies in their more efficient utilization of uranium by almost two orders of magnitude, of course, on condition that the processing of irradiated fuel and the recycling of plutonium can be mastered. A further developmental stage till the year 2000 will be high-temperature reactors which, in addition to converting heat to electric power with great efficiency, will supply high-energy heat for the metallurgical and chemical industries.

Therefore, the known ways and means of developing the potential of the CSSR power industry are sufficient to carry us into the new century. But the road is very exacting, calling for a great effort by the scientific,

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developmental and production base, the expenditure of considerable material and financial means and extensive international cooperation. The procurement of new power resources will become increasingly expensive and technically demanding. Therefore, the same efforts expended on the development of the energy base will have to be expended also on the rational use of energy and on finding ways of conserving energy to the utmost in all production and transportation sectors and in the economy of communal housing.

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YUGOSLAVIA

DISADVANTAGES NOTED IN ECONOMIC DECENTRALIZATION POLICY

Frankfurt/Main FRANKFURTER ALLGEMEINE in German 13 Nov 78 p 10

[Article by Viktor Meier: "A Slightly Disordered Country -- Borders of Republics in Yugoslavia Becoming Tighter"]

[Text] Zagreb, November -- "Your sleeping car ticket is absolutely in order; the date, train and car number are correct -- but I still don't have room for you." This is what I am told in Belgrade by the porter of the sleeping car to Maribor (Marburg), as though it were a completely normal occurrence. He says he has a group. "You certainly don't believe that when you've bought a sleeper ticket in Yugoslavia you will really get a seat. Oh, I see. You're a foreign journalist. That's very good; at last, you'll learn how things operate here." One would not have had such a conversation in Yugoslavia a few years ago.

The surprises kept coming. At the ticket counter of JAT, the state airline, one hears: "We don't even know whether we're sending flights to Slovenia." In response to an incredulous shake of the head, one is told: "The Slovenes want too much money for their fuel." Just imagine the German Lufthansa company threatening to boycott the airports in Schleswig-Holstein, for example, because of some kind of dispute over maintenance charges. But that is not all: "The reservations computer is also out of order." Upon arrival in Belgrade, people have to wait 2 hours for their baggage. I am told it was this way virtually all summer. Even the newspapers reported on it.

One has the feeling of traveling in a country that is slightly disordered. The impression comes into a sharper focus after a while: Disordered applies to everything in Yugoslavia's economy and infrastructure that extends beyond the borders of the individual republics and autonomous regions; in other words, everything that is to function as "inter-republican" or all-Yugoslavian. The railroads -- managed by the republics but operating throughout the country -- are in virtually indescribable condition 30 years after the war. Technically speaking, JAT, the state airline, is on an international level since it purchases Western aeronautical equipment, gives its pilots good training and generally adheres to maintenance

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regulations. But as far as its commercial operations and route organization are concerned, it is a nightmare. "A logistical enterprise for [party] veterans and aging secret policemen" is the angry description of a Yugoslav who has been waiting for his plane for 3 hours. NIN, a Belgrade periodical, has called it "nepotism," adding a report on family connections within the company, which has its headquarters in Belgrade.

No Capital for Loans

Firms that operate within the borders of a republic are generally on a sound footing, even though the increasingly more complex state regulations on management and self-management do not make life easy for them. It is frankly conceded that this system is jeopardizing the unity of the Yugoslav market and economic domain. It is becoming more and more of a problem for Yugoslav companies to open branches in other republics or even to do business at all. The new economic constitution calls for branch offices to be organized as independent "basic organizations of integrated labor," which means that they must operate as independent units, that they are largely outside the purview of the central office and that they have only limited rights "to transfer" profits. Instances are becoming increasingly more frequent in which companies from other republics, or merely other regions of the country, are being flatly denied -- with active or passive support from local organs -- the opportunity to open branches at all. Most often, no office space is to be found, or no office staff. This trend is increasing in proportion to the difficulties that Yugoslav companies encounter because of crisis or an extra-heavy burden of fiscal and social taxes. This year, many companies have not even been able to pay their employees the legal minimum wage without borrowing, even though the country's overall economic situation is described as not unsatisfactory.

The banks constitute a special category. According to the new laws, large banks may no longer transfer to their central office for use in granting loans those funds that are deposited with their branch offices in other republics. This decentralization of bank holdings means that even renowned commercial banks like the Bank of Ljubljana and the Laibach Bank are no longer able to accumulate sufficient capital to finance large projects of importance to the country as a whole. Top Serbian official Ivan Stambolic said recently in the presence of Tito that only "a few percent" of the funds invested in Yugoslavia within a year's time are going beyond the borders of individual republics and autonomous regions. Other sources report that this figure is 1.5 percent.

The underdeveloped regions -- particularly Kosovo -- are almost privileged; after all, they have available for investments the development fund provided especially for them out of contributions from the entire country. Complicated "state contracts" between individual republic administrations are required for larger-scale investments that are of significance beyond republic borders -- in the energy industry, for example. They often make

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do with foreign loans in expensive foreign exchange, loans which Yugoslavia would in many cases not need if it were not itself placing obstacles in the way of domestic accumulation of capital.

The disorder within the overall Yugoslav economic and capital domain is the result -- certainly an undesired result -- of a conscious policy. As a mark of the restoration of monopolistic party rule following the repessions of 1971 and 1972, a campaign was carried on against "technocracy" and "officialism" and against the "alienated centers of economic power" held by these forces. Strong economic structures meant competition for power to all levels of this country's party functionaries, who in any event have never been conspicuous for their understanding of economic relationships. The economy thus became "atomized"; in this sense, the act of making the "basic organizations" independent -- a principle of the new law on associated labor -- did not mean that rights of self-management were being realized. On the contrary, it meant that large and powerful companies were being weakened.

Veto Power for Each Republic

Meanwhile, going hand in hand with this development was a new effort to strengthen the republics and their structures. This came as a result of the fact that the party in Yugoslavia -- no matter how much it is represented as an all-Yugoslav party -- still has its centers of organization and power in the individual republics. Their recently increased strength thus also had to have some effect there. It is true that Tito had removed the strong leaders in some republics after 1971; however, in the first place he was unable to do this everywhere, and in the second place the middle-level and lower-level officials who were by no means immune to "nationalism" -- in Croatia, for example -- remained in office for the most part. Backed by the new constitution that granted full statehood to the republics, the new leaders -- or some of them -- also went unobtrusively but effectively to work to look after the interests of their republics. Within the all-Yugoslav framework, the consensus principle applies to laws. This means that all bills presented in the appropriate commissions and parliamentary committees must be passed unanimously, not by majority vote. This is a long and laborious process that usually ends in compromise. In practice, the consensus principle means the right of veto for each republic. "Not even we had demanded anything like that," said a Croatian intellectual who had been prominent prior to 1971 and had served a long prison sentence for "nationalism" following the overthrow. There are some doubts about this, but this much is certain: Under the present system, it is enormously difficult to arrive at effective economic policy decisions in terms of Yugoslavia as a whole.

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